

197—13.3(534) Salvage powers.

13.3(1) If in good faith an association believes that there has been an anticipated change in conditions which threatens its financial position by significantly increasing its exposure to loss, the provisions of rules 13.1(534) and 13.2(534) shall not prevent the association:

a. As the owner and lessor under a net, full-payout lease, from taking reasonable and appropriate action to salvage or protect the value of the property or its interest arising under the lease;

b. As the assignee of a lessor's interest in a lease, from becoming the owner and lessor of the leased property pursuant to its contractual right, or from taking any reasonable or appropriate action to salvage or protect the value of the property or the association's interest under the lease.

13.3(2) Additional terms. The provisions of rules 13.1(534) and 13.2(534) do not prohibit an association from including any provisions in the lease, or from making any additional agreements, to protect its financial position or investment in the circumstances set forth in subrule 13.3(1).

This rule is intended to implement Iowa Code section 534.103.